

NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Audit Committee
June 24, 2020

A meeting of the Audit Committee of NYC Neighborhood Capital Corporation (NYCNCC) was held on June 24th, 2020 at 4pm via Teams and conference line 866-866-2244 Code 5468203.

The following Audit Committee members were present:

- Elizabeth Verostek, Senior Vice President, NYCEDC
- Jervonne Singletary, Vice President, NYCEDC

Also present were the following members of NYCEDC:

- Christine Robinson, Senior Accountant, NYCEDC
- Amy Chan, Deputy Controller, NYCEDC
- Mac Thayer, Assistant Vice President, NYCEDC
- Spencer Hobson, Executive Vice President, NYCEDC
- Fred D'Ascoli, CFO, NYCEDC
- Izzy Cohn, Senior Counsel, NYCEDC

Also present were the following members of Novogradac & Company, LLP:

- Elaine Chang, Principal, Novogradac

Narrative:

A quorum of the Audit Committee members being present, Ms. Verostek convened the meeting of the Audit Committee of NYCNCC at 4:00pm.

1. Minutes of the September 11th, 2020 Audit Committee Meeting

Ms. Verostek brought up the first item for consideration, which was approval of the minutes from the previous Audit Committee meeting held on September 11st, 2019. Ms. Verostek asked for a motion to approve the minutes of the September 11th, 2019 meeting. The motion was made, seconded and unanimously carried with no abstentions or recusals.

2. Overview of the Sub-CDE's Audited Financial Statements

Ms. Verostek brought up the second item for consideration, which was a presentation of the sub-CDE audited financial statements. Ms. Robinson provided an overview the audited financial

statements, which were also included in the board book. Ms. Robinson provided an overview of NYCNCC's allocation awards and deployment to date, and highlighted sub-CDEs 5, 7 and 8 which had closed most recently. Ms. Robinson also discussed financial volatility associated with the COVID virus and stated that as of the present time, the normal processing of interest payments from project borrowers and related disbursements to NMTC investors had not been negatively impacted and remained on track.

Ms. Chang commented that the sub-CDE audits had proceeded smoothly. She agreed that the COVID virus had created uncertainty with respect to borrower's ability to generate revenue and continue to make loan payments, but that so far this had not become an issue.

No vote was required on this item.

3. Novogradac & Co. Contract Amendment

Ms. Verostek brought up the next item for consideration, which was approval of the Novogradac contract amendment. Ms. Robinson stated that staff would like to extend the audit contract with Novogradac and Company for an additional year. Ms. Robinson reminded the Audit Committee that services provided by Novogradac included auditing of CDE and sub-CDE financial statements, as well as tax return preparation services. Ms. Robinson stated that the audit and tax return preparation fees would remain the same under the contract extension as they were under the current contract.

Ms. Verostek asked if NYCNCC had an obligation to conduct a competitive procurement for the auditor at this time. Mr. Cohn stated that while NYCNCC's procurement policy was not specific on this point, NYCEDC's Contracts Department generally followed a best practice of conducting a RFP every three years and NYCNCC followed this best practice. Therefore Mr. Cohn recommended that NYCNCC approve the one-year contract extension this year and that staff issue an RFP for audit services next year.

Ms. Verostek asked for a motion to recommend the Novogradac and Company audit contract one-year extension to the Governing Board for approval. The motion was made, seconded and unanimously carried with no abstentions or recusals.

4. Adjournment

There being no further business to discuss, Ms. Verostek made a motion to adjourn the meeting. The motion was made, seconded and unanimously carried with no abstentions or recusals.

The meeting was adjourned at 4:30pm.